

REMARKS

Claims 1-5, 17-48, 58-64, 67-73, 78-81 and 98-102 are pending in this application. By this Amendment, claim 58 is amended, and claim 102 is added.

Entry of the amended claims is proper under 37 C.F.R. §1.116 since the amendments: (1) place the application in condition for allowance for the reasons discussed herein; (2) do not raise any new issues requiring further search and/or consideration since the amendments amplify issues previously discussed throughout prosecution without incorporating additional subject matter; (3) satisfy a requirement of form asserted in the previous Office Action; and/or (4) place the application in better form for appeal if necessary. Entry and allowance in view of the above amendments and the following remarks is respectfully requested.

The Examiner is thanked for the indication that claims 1-5, 17-48, 59-60, 67-73, 78-81 and 98-101 are allowed. Claim 102 is allowable claim 59 written in independent form, including all of the limitations of base claim 58. Thus, it is respectfully submitted that new claim 102 is also in condition for allowance.

The Office Action rejects claims 58 and 61-64 under 35 U.S.C. §103(a) for being unpatentable over Conner et al., U.S. Patent No. 4,917,465 (hereinafter "Conner"), in view of Xu, U.S. Patent No. 6,057,901 and Akatsuka et al., U.S. Patent No. 5,406,396 (hereinafter "Akatsuka"). This rejection is respectfully traversed.

Independent claim 58 recites, *inter alia*, wherein at least one of the first, second and third stages comprises a first retarder stack, a second retarder stack and a modulator positioned between the first and second retarder stacks, and wherein the modulator has an isotropic state

and a modulation state, and wherein the first retarder stack modulates a polarization state of its respective spectra so as to correspond to the modulation state of the modulator. As discussed during the May 17, 2004 telephone interview, neither Conner, Xu or Akatsuka, either alone or in combination, teach or suggest these features.

Accordingly, it is respectfully submitted that independent claim 58 is allowable over Conner, Xu, and Akatsuka. Dependent claims 61-64 are allowable at least for the reasons set forth above with respect to independent claim 58, from which they depend, as well as for their added features. Accordingly, withdrawal of the rejection of claims 58 and 61-64 is respectfully requested.

The Office Action rejects claims 90-93 under 35 U.S.C. §103(a) as being unpatentable over Conner, in view of Xu and Akatsuka, and further in view of Sharpless, U.S. Patent No. 3,647,279, Alasjo et al., U.S. Patent No. 5,671,211 (hereinafter "Alasjo"), Reiner et al., U.S. Patent No. 4,659,112 (hereinafter "Reiner"), and Fakirov et al., U.S. Patent No. 4,575,470 (hereinafter "Fakirov"). This rejection is respectfully traversed.

Dependent claims 90-93 are allowable at least for the reasons discussed above with respect to independent claim 58, from which they depend, as well as for their added features.

Added Claim

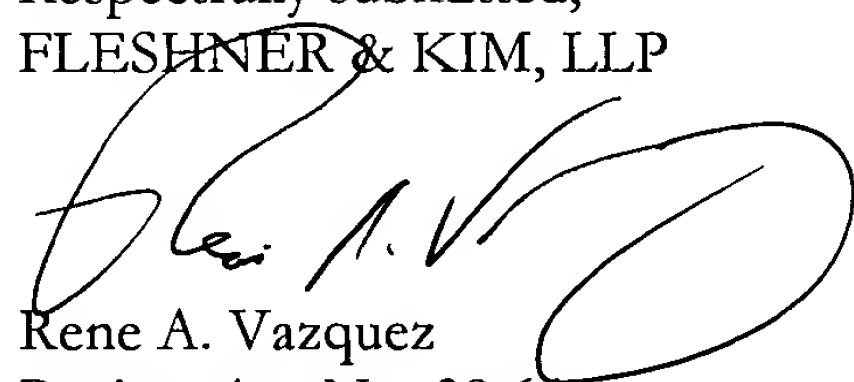
Applicants respectfully submit that added claim 102 is allowable over the cited art.

CONCLUSION

In view of the foregoing amendments and remarks, it is respectfully submitted that the application is in condition for allowance. If the Examiner believes that any additional changes would place the application in better condition for allowance, the Examiner is invited to contact the undersigned attorney, **Renè A. Vazquez**, at the telephone number listed below.

To the extent necessary, a petition for an extension of time under 37 C.F.R. 1.136 is hereby made. Please charge any shortage in fees due in connection with the filing of this, concurrent and future replies, including extension of time fees, to Deposit Account 16-0607 and please credit any excess fees to such deposit account.

Respectfully submitted,
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